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ISSUES AND TALKING POINTS

The Deng visit is primarily a political one. Your objective will be to support the President politically and establish personal rapport with Deng. Should you have occasion to discuss them, the following, in order of priority, are points we will be pursuing with the Chinese in the coming months.

1. Your Visit to China

Issues: (a) dates; (b) objectives/substance; (c) itinerary

Talking Points

- I am very much looking forward to visiting China and appreciate Minister Li Chiang's invitation.
- I would hope that my visit would contribute to further progress in our commercial relations. Secretary Blumenthal will initiate discussions on many points. I would want in particular to move forward our discussions on a trade agreement. Hopefully, we also could agree during my visit to the establishment of government commercial offices and make progress concerning exhibitions and trade promotion events, as well as offices and facilities for companies.
- For this reason, I believe it is essential to leave sufficient time between Secretary Blumenthal's and my visits for each government to review and prepare. The end of April would be an ideal time. (FYI: The Chinese have counterproposed the end of March, which would be too soon after Blumenthal's trip and conflict with your firm commitment to chair the Romanian joint trade commission in Bucharest.)
- Where in China would you suggest I go? What should I do?

2. Most-Favored-Nation (MFN) Status

If Deng raises the question of MFN for Chinese exports to the U.S., you should reply:

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- The Administration has begun consultations with the Congress on this difficult issue. We will move as actively as we can to overcome this obstacle. I am optimistic that it can be done. Ultimately, resolution of these issues will require conclusion of a trade agreement on which we hope to begin negotiations with you as soon as possible.

3. Establishment of Government Commercial Offices

Issue: We want early agreement on government commercial offices and support in obtaining space for the planned U.S. Commercial Office in Peking. Our objective is to have discussions begin soon, so that an agreement could be reached and a public announcement made during your visit to China.

Talking Points:

- We need to do everything we can to assist the commercial organizations of our two countries to do business with each other. Official government commercial offices would greatly improve our ability to provide such assistance and promote trade.
- We should move to do this as quickly as possible so as to demonstrate to the business world in a concrete way our government's support for their efforts.
- It is my hope that our representatives could begin discussing this shortly and that we could confirm arrangements during my visit to Peking.

4. S & T Cooperation by Commerce Agencies

Issue: The Chinese have a strong desire to avail themselves of state of the art industrial technology for economic ends. In addition, they wish to enhance their scientific and technological infrastructure through exchange programs with the United States.

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